

New Zealand



ANALYSIS

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1940, No. 7

Title. AN ACT to provide Special Facilities for the Investment of Savings. [19th July, 1940]

BE IT ENACTED by the General Assembly of New Zealand in Parliament assembled, and by the authority of the same, as follows:—

Short Title. 1. This Act may be cited as the National Savings Act, 1940.

Interpretation. 2. In this Act, unless the context otherwise requires,—

“ Bond ” means a National Savings Bond issued in accordance with this Act:

“ Investment Account ” means a National Savings Investment Account with the Postmaster-General or with an authorized savings-bank:

“ Investment period ” means an investment period fixed by the Minister in accordance with this Act:

“ Investor ” means, as the case may require, the person in whose name an Investment Account is opened in accordance with this Act or the holder for the time being of a National Savings Bond issued under this Act:

“ Minister ” means the Minister of Finance:

“ Savings-bank ” means a savings-bank constituted under the Savings-banks Act, 1908, and the expression “ authorized savings-bank ” means a savings-bank the trustees of which are authorized by the Minister to receive investments in accordance with this Act.

See Reprint of Statutes, Vol. VIII, p. 142

Modes of investment authorized by this Act.

3. (1) The special modes of investment authorized by this Act are the following:—

(a) Investment by deposit in an Investment Account for a fixed term, at compound interest; and

(b) Investment by the purchase of National Savings Bonds to be issued by the Postmaster-General.

(2) It shall be lawful for any trustee, unless expressly forbidden by the instrument (if any) creating the trust, to invest any trust funds in accordance with this Act.

(3) Any person or body having for the time being express or implied authority to invest any moneys in Government securities or on deposit in the Post Office Savings-bank may invest any such moneys in accordance with this Act.

4. (1) For the purposes of this Act the Minister may from time to time, by notice in the *Gazette*:—

Minister to fix investment periods and rates of interest.

(a) Fix investment periods during which investments may be made in accordance with this Act:

(b) Fix, in respect of each investment period, the rate of interest to be paid on investments made in accordance with this Act during that period:

(c) Fix, in respect of each investment period, the date on which moneys invested in accordance with this Act during that period will be repayable.

(2) Any notice under this section may relate to both of the modes of investment authorized by this Act, or may be limited in its application to either of those modes. Where any such notice relates to both modes of investment it may, in respect of each mode, prescribe different investment periods, different rates of interest, and different dates of repayment.

5. (1) The Minister may, by notice in the *Gazette*, authorize the trustees of any savings-bank to receive investments by way of deposits in Investment Accounts under this Act.

Savings-banks may be authorized to receive investments under this Act.

(2) Every authority given under this section shall be limited to an investment period to be specified in the notice.

National Savings Investment Accounts.

6. (1) At any time during an investment period fixed by the Minister in accordance with section four hereof in respect of investments by deposit in Investment Accounts any person may, by investing the sum of one shilling or any multiple of one shilling with the Postmaster-General or with an authorized savings-bank, open an account, to be called a National Savings Investment Account (in this Act referred to as an Investment Account).

Investors may open National Savings Investment Accounts with Postmaster-General or with authorized savings-banks.

(2) An Investment Account may be opened by any person in his own name, or in the name and on behalf of any other person.

(3) Further investments of one shilling or of any multiple of one shilling may be made in any Investment Account at any time during the investment period.

(4) Not more than one thousand pounds shall be invested at any time in any Investment Account, and no investment in an Investment Account shall at any time be accepted from or on behalf of any person if the total amount standing to the credit of the investor in one or more Investment Accounts in respect of the same investment period would by reason of such investment exceed the sum of one thousand pounds.

Investments
to be for
fixed periods.

7. (1) Subject to the provisions of the next succeeding subsection, moneys invested in an Investment Account during an investment period shall not be repayable before the date fixed by the Minister, pursuant to paragraph (c) of section four hereof, for the repayment of moneys so invested during that period, but shall, with any accumulated interest thereon, be repayable on that date.

(2) Notwithstanding anything in the last preceding subsection, any investor may, before the due date of repayment, withdraw any moneys for the time being standing to his credit in an Investment Account if, on the ground of hardship or in any case of emergency or of special circumstances, leave to withdraw such moneys is granted by the Minister or by any person acting with the authority of the Minister:

Provided that where any moneys are so withdrawn before the due date of repayment the interest payable thereon in respect of the period during which they have been invested shall not exceed the amount of interest that would have been payable if those moneys had been deposited in the Post Office Savings-bank on the date on which they were invested in the Investment Account.

(3) In determining for the purposes of the proviso to the last preceding subsection the amount of interest payable on any moneys therein referred to, the limit of two hundred pounds, fixed by section twenty-one and by section twenty-four of the Savings-banks Act, 1908, shall have no application, and no account shall be taken

of any amount that the investor may have or may at any time have had to his credit in any account in the Post Office Savings-bank.

(4) For the purpose of computing, in accordance with the foregoing provisions of this section, the amount of interest payable on any moneys withdrawn from an Investment Account before the due date of repayment those moneys shall be deemed to have been withdrawn in the reverse order to the order in which moneys were invested in that account.

8. (1) Except as hereinbefore provided with respect to moneys withdrawn from an Investment Account before the due date of repayment, interest on the moneys invested in an Investment Account, at the rate fixed by the Minister in accordance with paragraph (b) of section four hereof in respect of moneys so invested, shall be calculated to the thirtieth day of June in each year of the period for which they were invested:

Calculation
of interest
on moneys
invested in
an Investment
Account.

Provided that interest shall be calculated as aforesaid only in respect of amounts of one pound or of a multiple of one pound.

(2) The investor may, at any time within six months after the thirtieth day of June in any year, withdraw the interest calculated as aforesaid for the period ending on that date.

(3) Unless withdrawn by the investor in accordance with the last preceding subsection, the interest calculated as aforesaid for the period ending on the thirtieth day of June in any year shall, as from that date, be added to and become part of the principal moneys of the investor:

Provided that nothing herein shall be construed to prevent the investor from authorizing payment to the War Expenses Account, as a donation for war purposes, of the whole or any portion of the interest that he is at any time entitled to withdraw from his Investment Account in accordance with this section.

(4) Where any moneys are paid into an Investment Account on the first day of any month interest thereon shall begin to accrue on that date. In every other case interest shall begin to accrue on the first day of the month following the date of investment.

Provisions as to moneys in Investment Account that are not withdrawn by investor on due date of repayment.

9. If on the due date for the repayment of any moneys invested in an Investment Account any moneys in the account are not withdrawn by the investor, the following provisions shall apply with respect to such moneys:—

(a) If they have become repayable during an investment period fixed by the Minister in accordance with section four of this Act in respect of investments by deposit in Investment Accounts, they may be reinvested under this Act at any time within three months from the date on which they became repayable, and shall thereupon be deemed to have been so reinvested on the date on which they became repayable:

(b) Unless reinvested in accordance with the last preceding paragraph, they shall be deemed to have been transferred, on the date on which they became repayable, to an account in the name of the investor in the Post Office Savings-bank or in the authorized savings-bank, as the case may be, and may be dealt with by the investor as if they had been deposited by him in that account in accordance with Part IV of the Post and Telegraph Act, 1928, or with the Savings-banks Act, 1908, as the case may be.

10. (1) Where on the death of any investor the total amount standing to his credit in any Investment Account or Investment Accounts, together with any amount standing to his credit in the Post Office Savings-bank or in any authorized savings-bank, does not exceed two hundred pounds, the Postmaster-General or the trustees of an authorized savings-bank, as the case may be, may, without requiring probate or letters of administration, pay the whole or any part of the moneys in the Investment Account as if they were moneys to which section eighty-eight of the Post and Telegraph Act, 1928, or section two of the Savings-banks Amendment Act, 1927, as the case may be, were applicable.

On death of investor payment from Investment Account may be made without probate or letters of administration.

See Reprint of Statutes, Vol. VI, p. 888; Vol. VIII, p. 169

(2) Where any moneys are paid under the authority of this section, the interest for the period between the date of investment and the date of payment shall not exceed the amount of interest that would have been payable if those moneys had been deposited in the Post Office Savings-bank on the date on which they were invested in the Investment Account.

National Savings Bonds.

11. (1) For the purposes of this Act the Postmaster-General may, during any investment period fixed by the Minister in accordance with section four hereof in respect of investments by the purchase of National Savings Bonds, issue National Savings Bonds in such form and for such denominations and subject to such conditions as may from time to time be prescribed by the Minister.

Postmaster-General may issue National Savings Bonds.

(2) National Savings Bonds issued in any investment period shall mature on the date fixed in that behalf by the Minister pursuant to paragraph (c) of section four hereof, but may be redeemed at any time before maturity on such terms and conditions as may be prescribed in that behalf by the Minister.

12. (1) If at any time before the redemption of any National Savings Bond issued under this Act the Minister is satisfied that it has been lost or destroyed, he may authorize the issue to the former holder of the bond or to his legal representative of a new bond in replacement thereof, or may authorize the payment out of the Post Office Account to any such person of the present value of the bond.

National Savings Bonds may be replaced in event of their loss or destruction.

(2) Before authorizing the issue of a new bond or the payment of the value of any bond in accordance with the last preceding subsection the Minister may, if he thinks fit, require the applicant for such bond or payment to indemnify the Crown, in such manner as the Minister may require or approve, against liability under the bond alleged to have been lost or destroyed.

13. (1) Unless otherwise expressed therein, National Savings Bonds issued under the authority of this Act shall be transferable by delivery. Payment to any person in possession thereof of the amount named in

Transfer of National Savings Bonds.

any such bond that is transferable by delivery shall discharge the Crown from all liability in respect thereof.

(2) If any National Savings Bond is issued subject to the condition that it is not transferable, or that it is not transferable by delivery, words to that effect shall be printed or stamped in conspicuous letters on the face of the bond.

Moneys in Investment Account may be used for purchase of National Savings Bonds.

14. (1) Any moneys for the time being standing to the credit of an investor in an Investment Account with the Postmaster-General or an authorized savings-bank may, at any time before the due date for the repayment of those moneys, be applied by the investor in the purchase of National Savings Bonds.

(2) Any National Savings Bonds issued for the purposes of this section shall be redeemable on the due date fixed for the repayment of moneys in the Investment Account, or on such other date as may be fixed in that behalf by the Minister, and may be issued notwithstanding that the investment period may have expired.

(3) Where any moneys in an Investment Account are applied in the purchase of National Savings Bonds in accordance with this section, the provisions of section seven hereof as to interest on moneys withdrawn before the due date of repayment shall not apply, but the investor shall be entitled to interest on such moneys, up to the date of their application in the purchase of bonds, at the same rate as if they had not been withdrawn from his Investment Account.

Bonds to be registered with Commissioner of Taxes. 1932-33, No. 40

See Reprint of Statutes, Vol. VII, p. 271

15. (1) The provisions of section ten of the Land and Income Tax Amendment Act, 1932-33, shall apply with respect to all National Savings Bonds that are payable to bearer.

(2) For the purposes of the Land and Income Tax Act, 1923, the difference between the price paid to the Postmaster-General on the issue of any National Savings Bond and the nominal value of the bond shall be deemed to be income derived from the bond, and shall be deemed to have accrued by instalments on the thirty-first day of March in each year during the term of the bond.

General Provisions.

16. (1) All moneys received by the Postmaster-General as investments in any Investment Account or from the sale of National Savings Bonds shall be forthwith paid into the Post Office Account, and shall from time to time be invested by the Postmaster-General in debentures or other securities issued by the Minister in the exercise of any authority to borrow moneys conferred on him by any Act.

Application of moneys invested under this Act.

(2) All moneys received by any authorized savings-bank as investments in any Investment Account shall, as and when required by the Minister, be paid by the trustees of the savings-bank into the Public Account for investment in Government securities on behalf of the trustees. Investments made on behalf of the trustees in accordance with this subsection shall not be taken into account in computing, for the purposes of the proviso to section thirty-three of the Savings-banks Act, 1908, the proportion of the funds of the bank that may be invested.

See Reprint of Statutes, Vol. VIII, p. 152

(3) Any costs, charges, or expenses connected with the issue of National Savings Bonds or otherwise in connection with the investment of savings in accordance with this Act shall, for the purposes of sections eleven and sixty-one of the New Zealand Loans Act, 1932, be deemed to be costs, charges, and expenses connected with the raising of any loan in respect of which any moneys received under this Act by the Postmaster-General or by the trustees of any authorized savings-bank have been invested.

1932, No. 23

17. (1) All moneys payable by the Postmaster-General to investors under this Act (whether as principal or interest) shall be paid out of the Post Office Account without further appropriation than this section.

Moneys invested under this Act with Postmaster-General to be repaid out of Post Office Account.

(2) If at any time the moneys available in the Post Office Account are insufficient for the payment of any principal or interest in accordance with this section it shall be the duty of the Minister, without further appropriation than this section, to transfer the amount of the deficiency from the Consolidated Fund to the Post Office Account.

Regulations.

Governor-General may make regulations for purposes of this Act.

18. The Governor-General may from time to time make all such regulations as may in his opinion be necessary for the purpose of giving effect to the foregoing provisions of this Act.

Repeals.

Repeals.

See Reprint of Statutes, Vol. VI, pp. 887, 888, 897 1932-33, No. 45

19. Sections eighty-five, eighty-six, eighty-seven, and one hundred and five of the Post and Telegraph Act, 1928, and section six of the Finance Act, 1932-33 (No. 2), are hereby repealed.
